

ECONOMIC TRANSFORMATION



The economic distribution in SA still racialised and unequal. The ANC has not resolved issues of unemployment and broad-based control of the economy, acknowledge as a failure. Economic transformations success should be judged upon its benefits for the poor and marginalised. Many good ANC policies not effectively implemented.

The goals or radical economic transformation are:

- Employment (especially for youth), more inclusive economy
- Redistribution and returning of land, state support for productive use
- Increased black ownership all sectors, strengthened cooperatives,
- Raised investment and savings rates to stimulate growth
- Improved social justice for poor and better conditions for workers
- Improved employment impact of infrastructure projects,
- Reduced inequality and poverty, smaller gap between rich + poor
- Break down monopoly practices and structures,
- Improve South Africa's interests in the global and African economy,

ECONOMIC TRANSFORMATION – PROPOSALS



Achieving an effective developmental state

- Strengthen planning, implementation, coordination, monitoring, and intervention when weaknesses
- Build professional and capable public service able to deliver with the right technical skills and structures
- Reform and rationalise of State Owned Enterprises (companies) to stop draining state budget – examples SAA, ESKOM, DENEL, SABC.
- Use state ownership of Eskom and Transnet (as the 2 biggest companies in Africa), more effectively for achieving NDP goals
- Review delivery and procurement systems – make it easier to use SMMEs, community groups, co-ops, etc

PROPOSALS

Ownership in our economy (Joburg Stock Exchange)

- Review Broad Based Black Economic Empowerment (BBBEE) policies to benefit majority, implement, help SMME and coops
- Improve local procurement at government and SOCs
- Improve licencing of mining etc, to support transformation
- Transformation charters for each sector, monitor clear targets
- Massively increase vocational training and apprenticeships
- Infrastructure and municipal projects ensure they include some labour-intensive programmes.
- Constitutional requirement “just and equitable compensation” for the land must be clarified .
- Regulate private sector to avoid price fixing, unfair competition and unfair labour practices.

PROPOSALS

Mining and beneficiation (adding value to raw materials)

- Black ownership 2.5%, state investment own 6%. Improve conditions for workers and communities, promote economic growth, encourage local procurement, job retention, job creation
- Use mining license system to increase transformation + participation
- Use the state's mining company, investments for transformation
- Support industry and investment that add value to raw materials
- Approve the amended MPRDA bill to become law

Agriculture and Land Reform

- Only 8m ha. of arable land transferred to black people, only 9.8% . households involved in farming, decrease by 500 000 last 5 years
- Large programmes to support emerging and subsistence farmers
- Implement new laws, fight inflated pricing, use Expropriation Act
- Address budget constraints on Land Reform and fight corruption,
- Encourage land claimants to accept land, instead of money



Manufacturing

Huge drop in factory jobs and production. Most jobs in government and services. Monopolies control some sectors. Access difficult for new businesses. Few black factory owners. We must:

- Roll out Black Industrialists' Programme. Use BBBEE Charters to promote participation of black-owned business
- Encourage new investment in industry and develop key sectors
- Drive government procurement through law, monitor targets, support local suppliers. Development programmes for SMMEs at SOEs and large firms. Implement 30% set-aside for SMMEs

Financial Services

Blacks little ownership in banks, poor access to loans. We must:

- Monitor and implement commitments in the Financial Sector Charter
- Improve access to finance for SMMEs, and middle/low-cost housing.
- Establish State Bank based on Post Bank

PROPOSALS

Infrastructure

Without infrastructure like power, water, roads, ports, rail and communications, our economy cannot grow. Poor outlook for economy and bad credit rating affects borrowing for new infrastructure projects.

- Prioritise water, transport, energy, broadband rollout and social infrastructure (health, education and sanitation).
- Poor levels + high cost of broadband must be addressed urgently. May miss 4th Industrial Revolution.
- Confirm committed to renewable energy that creates jobs through installation, household distribution and maintenance. Ensure financing of independent power producers.
- Lower coal (carbon) use, increase use of gas, build new nuclear only when needed and if affordable
- Speed up digital TV so that wavelength for broadband is freed up

Fighting Corruption

Corruption in both the private and public sector and hampers development. Private sector not doing enough. Government has insufficient prosecutorial, investigative and forensic capacity, making very slow progress in defeating corruption and strengthening anti-corruption legislation. We must:

- Act firmly against fraud and those who break the rules in government, lifestyle audits of politicians and managers
- Central oversight by Procurement Office over large tenders or those that go on for many years, to avoid corruption
- Strengthen anti-corruption legislation. Protect whistle blowers
- Promote ethical conduct in the public sector – make it compulsory to report corruption
- Finalise the National Anti-Corruption Strategy
- Improve coordination of investigation and prosecution

Conclusion

Our failure to radically transform the economy has hampered growth, increased inequality, and excluded and marginalised many black people from the economy.

- Despite the progress made over the last two decades, income poverty remains high, and inequality severe.
- Long way to go to reach the NDP targets, dropping poverty from 39% to zero, creating 11 million jobs, and reducing inequality
- We need to implement the NDP and our policies, and be more decisive in using the budget, legislation, procurement, licences, transformation charters, development finance institutions and state-owned companies.
- We have good policies and plans, must implement them properly, assess impact and address weaknesses, before we change them
- We need maximum unity, coherence and accountability.
- ***In order to realise radical economic transformation it cannot be business as usual.***